

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

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**In re:**

**Chapter 11**

**FIELDWOOD ENERGY LLC, et. al.,<sup>1</sup>**

**Case No. 20-33948 (MI)**

**(Jointly Administered)**

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**STATEMENT OF ISSUES AND DESIGNATION OF RECORD ON APPEAL  
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 8009**

Appellant North American Specialty Insurance Company (“NAS”) hereby submits its *Statement of Issues of Designation of Record on Appeal Pursuant to Federal Rule of Bankruptcy Procedure 8009* with respect to the appeal of this Court’s Findings of Fact, Conclusions of Law, and Order Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors [Dkt. No. 1751] entered on June 25, 2021 (the “Confirmation Order”) to the extent the Confirmation Order including any findings of fact or conclusions of law therein purports to eliminate or impair NAS’s rights of subrogation, reimbursement exoneration with respect to any of the post confirmation entities, including Newco and Credit Bidders, by failing to recognize or require the assumption or transfer of such obligations related to leases and property interests of the Debtors distributed to the post-confirmation entities.

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<sup>1</sup> The Debtors, each of which have filed a separate voluntary petition, are: Dynamic Offshore Resources NS, LLC; Fieldwood Energy LLC; Fieldwood Energy Inc.; Fieldwood Energy Offshore LLC; Fieldwood Onshore LLC; Fieldwood SD Offshore LLC; Fieldwood Offshore LLC; FW GOM Pipeline, Inc.; GOM Shelf LLC; Bandon Oil and Gas GP, LLC; Bandon Oil and Gas, LP; Fieldwood Energy SP LLC; Galveston Bay Pipeline LLC; and Galveston Bay Processing LLC.

### **Statement of Issues Presented on Appeal**

1. Whether the bankruptcy court erred in entering an order pursuant to 11 U.S.C. § 363(f) that purports to strip, as an interest in property acquired by a credit purchaser entity (Newco) and other entities created through the Eighth Amended Plan of Reorganization (the “Plan”), the future rights of the Debtors’ sureties to recover from Newco and other entities for decommissioning costs paid by the sureties arising from the failure or default of Newco and other entities to meet their post-confirmation obligations under applicable law and the Plan to perform said decommissioning?
2. Whether the bankruptcy court possesses jurisdiction to modify, alter or strip the state or federal law rights of the sureties to seek recourse (through subrogation, restitution, reimbursement and exoneration) post-confirmation against entities created through the Plan for their defaults of obligations covered by the sureties’ bonds?
3. Whether a future right of subrogation, restitution, reimbursement and exoneration recognized under state or federal law are subject to the lien stripping power of 11 U.S.C. § 363(f)?
4. Whether the consent or voluntary release by the sureties holding future rights of subrogation, restitution, reimbursement or exoneration is required to discharge those obligations arising from post-confirmation defaults of obligations covered by the bonds?
5. Whether the bankruptcy court erred in finding subrogation rights of the sureties (and other rights of recourse) are interests in the properties acquired as opposed to personal obligations of the acquiring entities arising from and triggered by their future defaults in performing decommissioning obligations also covered by the sureties’ bonds?

### **Designation of Record on Appeal**

NAS designates the following items for inclusion in the record on appeal. Unless otherwise noted, each designated item shall also include any and all exhibits to such item.

Docket No.	Date	Description
29	08/04/2020	Declaration re: Declaration of Michael Dane in Support of Debtors’ Chapter 11 Petitions and First Day Relief Filed by Fieldwood Energy LLC
722	01/01/2021	Chapter 11 Plan of Reorganization Filed by Fieldwood Energy LLC
723	01/01/2021	Disclosure Statement Filed by Fieldwood Energy LLC

Docket No.	Date	Description
1020	03/15/2021	Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1098	03/23/2021	Second Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1115	03/24/2021	Third Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1252	04/09/2021	Fourth Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1284	04/15/2021	Fourth Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1285	04/15/2021	Amended Disclosure Statement Filed by Fieldwood Energy LLC
1394	05/27/2021	Notice of Filing of Plan Supplement in Connection With Fourth Amended Joint Chapter 11 Plan of Field Wood Energy LLC and its Affiliated Debtors Filed by Fieldwood Energy LLC
1427	06/01/2021	Objection to Confirmation of Plan Filed by Liberty Mutual Insurance Company, the Hanover Insurance Company, Travelers Casualty and Surety Company of America, XL Specialty Insurance Co.
1435	06/02/2021	Objection to Confirmation of Plan Filed by North American Specialty Insurance Company
1436	06/02/2021	Objection to Confirmation of Plan Filed by Lexon Insurance Company, Ironshore Indemnity Inc., and Ironshore Specialty Insurance Company
1461	06/02/2021	Objection to Confirmation of Plan Filed by Aspen American Insurance Company, Berkley Insurance Company, Everest Insurance Company, and Sirius America Insurance Company
1629	06/16/2021	Fifth Amended Chapter 11 Filed by Fieldwood Energy LLC
1664	06/20/2021	Supplemental Objection of Plan Filed by Aspen American Insurance Company, Berkley Insurance Company, Everest Insurance Company and Sirius America Insurance Company
1696	06/22/2021	Sixth Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1716	06/24/2021	Seventh Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1731	06/25/2021	Eighth Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1742	06/25/2021	Eighth Amended Chapter 11 Plan Filed by Fieldwood Energy LLC
1748	06/25/2021	Transcript of Confirmation Hearing from June 21, 2021 through June 25, 2021 before Judge Marvin P. Isgur. Court Reporter/Transcriber: Veritext Legal Solutions Filed by Lexon Insurance Company and Endurance American Insurance Company; attached hereto as <b>Exhibit "A"</b>

Docket No.	Date	Description
1751	06/25/2021	Findings of Fact, Conclusion of Law, and Order (I) Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors and (II) Granting Related Relief
1782	07/01/2021	Notice of Appeal Filed by North American Specialty Insurance Company
1785	07/01/2021	Notice of Appeal Filed by Lexon Insurance Company, Ironshore Indemnity Inc., and Ironshore Specialty Insurance Company
1791	07/02/2021	Notice of Appeal Filed by Aspen American Insurance Company, Berkley Insurance Company, Everest Insurance Company and Sirius America Insurance Company
1796	07/02/2021	Motion to Stay Pending Appeal Filed by Aspen American Insurance Company, Berkley Insurance Company, Everest Insurance Company and Sirius America Insurance Company
1801	07/05/2021	<i>Response Joinder of Lexon Insurance Company, Ironshore Indemnity Inc. and Ironshore Specialty Insurance Company to the Emergency Motion of Aspen American Insurance Company, Berkley Insurance Company and Sirius America Insurance Company for a Stay, Pursuant to Bankruptcy Rule 8007, of the Order Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors, or in the Alternative, for an Order Amending the Confirmation Order, Pursuant to Bankruptcy Rule 9023 (Motion To Stay Pending Appeal) Filed by Lexon Insurance Company, Ironshore Indemnity Inc., and Ironshore Specialty Insurance Company</i>
1802	07/05/2021	Response Joinder of North American Specialty Insurance Company in the Emergency Motion of Aspen American Insurance Company, Berkley Insurance Company and Sirius Insurance Company for A Stay, Pursuant to Bankruptcy Rule 8007, of the Order Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors, or in the Alternative for an Order Amending the Confirmation Order Pursuant to Rule 9023 and Joinder in the Grounds set for in the Joinder of Lexon Insurance Company, Ironshore Indemnity Inc. and Ironshore Specialty Insurance Company in That Motion (Motion To Stay Pending Appeal) Filed by North American Specialty Insurance Company
1818	07/07/2021	Clerk's Notice of Filing of an Appeal. On 7/1/2021, Lexon Insurance Company filed a notice of appeal. The appeal has been assigned to U.S. District Judge George Hanks, Civil Action 4:21-cv-2202.

Docket No.	Date	Description
1823	07/07/2021	Order Denying Emergency Motion of Aspen American Insurance Company, Berkeley Insurance Company and Sirius America Insurance Company for a Stay, Pursuant to Bankruptcy Rule 8007, of the Order Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors, or in the Alternative, for an Order Amending the Confirmation Order, Pursuant to Bankruptcy Rule 9023
1846	07/09/2021	Transcript of Motion Hearing; July 6, 2021 before Judge Marvin P. Isgur. Court Reporter/Transcriber: Judicial Transcribers of Texas Filed by Lexon Insurance Company, Ironshore Indemnity Inc., and Ironshore Specialty Insurance Company; attached hereto as <b>Exhibit "B"</b>
1847	07/09/2021	Notice of Appeal Filed by Liberty Mutual Insurance Company, the Hanover Insurance Company, Travelers Casualty and Surety Company of America, XL Specialty Insurance Co.
	06/24/2021	Demonstrative Exhibit of emails by and between Brandon Bains, Carlson Clifford, and Emma Wheeler, setting forth agreed language between debtors and sureties shown in Zoom recording of confirmation hearing attached hereto as <b>Exhibit "C"</b>

**Proof of Claims**

Claim No.	Date	Debtor Name	Claim Value
433	11/20/2020	GOM Shelf LLC	\$39,000,000.00
434	11/20/2020	Galveston Bay Processing LLC	\$39,000,000.00
435	11/20/2020	Fieldwood Energy Inc.	\$39,000,000.00
436	11/20/2020	FW GOM Pipeline, Inc.	\$39,000,000.00
437	11/20/2020	Bandon Oil and Gas GP, LLC	\$39,000,000.00
486	11/20/2020	Dynamic Offshore Resources NS, LLC	\$39,000,000.00
488	11/20/2020	Fieldwood Energy LLC	\$39,000,000.00
492	11/20/2020	Fieldwood Onshore LLC	\$39,000,000.00
493	11/20/2020	Fieldwood Energy Offshore LLC	\$39,000,000.00
494	11/20/2020	Fieldwood SD Offshore LLC	\$39,000,000.00

Claim No.	Date	Debtor Name	Claim Value
515	11/20/2020	Fieldwood Offshore LLC	\$39,000,000.00
518	11/20/2020	Galveston Bay Pipeline LLC	\$39,000,000.00
519	11/20/2020	Fieldwood Energy SP LLC	\$39,000,000.00
520	11/20/2020	Bandon Oil and Gas, LP	\$39,000,000.00

THE LAW OFFICES OF T. SCOTT LEO, P.C.

Dated: July 15, 2021

/s/ T.Scott Leo  
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